

**University Budget Advisory Council
Action Minutes
December 1, 2022**

Members present: Opinder Bawa, Sarah Blackburn, Shannon Burchard, Jonathan Cromwell, Michael, Otgo Ehremjamts, Michael Goldman, Laura Hannemann, Michael Harrington, Jeff Lefkoff, Elisabeth Merkel Baghai, Thao Khuong, Spencer Rangitsch, John Zarobell, Lindsey McClenahan

Members absent and excused: Julie Orio, Esha Seth, Julia Schulte

Approval of Action Minutes: October 20, 2022

Motion/2nd: Goldman/Liz **Vote:** 12 **Abstain:** 2

Announcements

- Zarobell announced December will be spent on discussing budget assist. A request has been sent to invite Fr. Paul to a future meeting regarding budget assist.
- January/February will focus on enrollment projections.
- Future education workshop on retention, possibly in person townhall format. Welcome other topics to bring forward.

Budget Assist

Lefkoff shared the timeline for Budget Assist has been pushed up. The magnitude of budget assist requests points to a budget gap and will require work across campus to accommodate budget savings. The BOT requested to see a fully resolved budget at is March meeting. As a result, we will need to start soon how to accommodate savings and finalize BA decisions sooner. We will no longer have a second meeting to develop recommendations. We will have our usual discussion today, followed by a survey to complete individual recommendations and comments The Tri-chairs will consolidate the results into a memorandum and submit to Cabinet next week.

Lefkoff responded to a question that base requests are ultimately filled by revenue.

Budget Assist presentation by Development (McClenahan)

McClenahan shared USF reached aspirational goal, \$312M (refer to presentation filed in Canvas with the recording).

Q&A: Budget & Staffing expansion

Does the \$4M expense come from operating budget? Campaign funding needs to be base budget. It isn't a one-time expense to hire staff and later fire them.

Lefkoff added conceptually, whether we have restricted funds for which it is appropriate to use investments in capital campaign.

We want to reduce dependency on enrollment for higher education. Is there a goal for USF for an ideal ratio for development funds and enrollment? We use a peer group for staffing and models for overall revenue for university. We should have endowment of a billion. We are at 4%, 11%. Would like to get up to 20%.

Lefkoff added developing gifts as a revenue stream is a smart thing to do in growing and stabilizing.

Would you please expand on the meaning of campaign? A campaign is a targeted fundraising initiative over a period of years, average 6-9 years, with \$300M goal. We exceeded that goal.

What is the expected ROI for the next campaign? What is the best use? Donors may restrict use of their gifts. Not all gifts get added to the budget.

Undeniably there is a need for expansion, but the scale of total BA is unprecedented, massive in scale considering our current situation. What does a partial funding look like? We can continue to fundraise with less, it just means lower targets. We're requesting 2/3 increase from last campaign with the goal of raising more funds.

What is the current headcount and what are we looking to increase? The request is to increase headcount from 65 to 91 and increase expected return from \$312M to \$500M.

Going from about 5:1 to 6:1, how does the ROI 6:1 compare to kind of schools we compare ourselves to? The industry standard is 4:1. We are doing a lot with less money. The bigger the gifts, the less staff is needed. It takes efforts of everyone to raise large gifts.

Budget Assist Continued

(Clarification - existing contract increases are classified as non-discretionary)

Harrington added there is an updated file ready to share after the meeting, with minor alterations.

Are all discretionary requests are taken from general operating budget? How is the percentage that each unit is sharing the cut decided? Everyone has the responsibility to adjust their operating budget to accommodate the gap. How it is allocated is ultimately up to leadership. Some areas may be protected, e.g., health and safety.

Zarobell summarized the non-discretionary add up to \$10M plus true-up and existing contracts. Discretionary requests approved will need to be taken out of the budget. A good way to think about this is, "is this worth cutting something in order to fund something else?"

The BOT has not yet approved the tuition target. What is the general target? Best case tuition?

Our forecast right now is a bit over \$2M revenue. On the flip side, the non-discretionary is \$10M, already looking at a sizable gap from the beginning.

What is the relation of the ITS closet request? Bawa responded that the ITS' study in 2019 identified digital assets and aging equipment. USF's technology footprint is between \$60-\$70M dollars of investments in footprint. The request was increase budget to \$4.5M overtime. In the current list, it's the second \$1.5M to reach to \$4.5M.

Bawa added that Lefkoff has been working with the deans to see if there are additional revenue measures. Lefkoff confirmed this is active right now.

Relationship between expenditure now and revenue, it is not always clear, guaranteed, or high likelihood, if you're going to spend \$1 and make \$5. The number of proposals were light on connection between spend and return.

Otgo shared from a dean perspective, it is hard to put an ROI on marketing expenditures. All five schools have small marketing staffing with past cuts, lower enrollments due to low marketing resources. Enrollments will continue to decline if we don't invest in marketing.

Lefkoff added one way to think of this is to ask: How many students would we need to bring in to make up for these costs? Graduate prospect management varies depending on the program so about 8-10 students.

SONHP – CAS infrastructure, if it's centralized, wouldn't it be within the university? The infrastructure referred to is staffing, not systems, processes. The term centralized refers to the process within nursing. Agreed this individual hired would be able to work on certificate programs across the university, not just limited to SONHP. The program is unique to the nursing profession and different from Slate.

There is overlap around marketing requests (SOE, SEM, deans have graduate marketing and OMC). Why is there duplication? What is the management aspect?

Otgo responded that the reason for duplication is that OMC supports general brand awareness and mostly at the undergraduate level. Grad specific is handled by the schools and budgets have been cut over time. There is no university level grad marketing effort.

If we are adding, then need to cut what we said we needed to do, does it not make more sense to redirect the spend and stop doing the things that are no longer good?

Otgo commented that when each unit is submitting a proposal, they are unclear what the budget gap is at that time.

Harrington highlighted there is a shift for the Blood Bank proposal, it was a capital request, but now submitted it is a non-discretionary request, additional ongoing facilities support for maintenance.

It was shared in recent past, there was a shift to centralize resources, e.g., Webservices. Wonder why those centralized resources can't be directed to meet the needs of schools/college. Lefkoff added these kinds of recommendations can be included in the UBAC memo.

Next steps: Budget Assist survey will go out shortly with a request to complete the survey by end of day Monday. Comments are very helpful.

Harrington shared the revised file is ready to be shared.

Can we get an idea of how compensation will impact the budget? Negotiations are still ongoing.

Is there a placeholder if all groups were to stay the same, what is the budget impact now?

Lefkoff responded that compensation is grounded in union negotiations and to focus on recommendations without compensation.

Bawa added that Fr. Paul was diligent in reading comments related to budget assists.

Lefkoff added the Provost indicated the rationale is more helpful than just "yes/no".

Are the comments shared with the submitter? Bawa doesn't think so. He suggested comments should be respectful.

Good of the order:

- Review update BA file, Monday deadline.
- Have space for questions after the process.
- BA FY24 UBAC memo to Cabinet filed in Canvas

Meeting adjourned: 1:30 pm